GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5688
ANSWERED ON:02.05.2000
SUBSIDY ON FERTILIZER
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the fertilizer subsidy has crossed Rs. 7598 crore in the current fiscal as against the budget for Rs. 6000 crore;

(b) if so, whether the Fertilizer Association of India has sought 10 per cent hike in urea prices every year in order to check subsidy and facilitate phasing out of administrative price mechanism;

(c) if so, whether the Government has considered their request; and

(d) if so, the steps being taken to accede their request?

Answer

MINISTER FOR STATE IN MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) : In the financial year 1999-2000, the expenditure by way of subsidy on urea was of Rs. 8744.04 crore against the budgetary provision of Rs.8750 crore. For the current financial year 2000-01, budgetary provision of Rs.8558 crore has been made towards subsidy on urea.

(b) to (d) : Fertilizer Association of India (FAI) has notspecifically made any suggestion for 10% hike in urea prices every year. But, it has been expressing the view publicly and in meetings that review of sale prices of urea be made at regular intervals taking into account the increase in the cost of production. The Governmenthas increased the Maximum Retail Price of urea keeping in view the fiscal capacity of the Government on one hand and making affordability at reasonable prices to farmers on the other hand.